

Navajo

Public Facilities Financing Plan
Fiscal Year 2008



December 2007



THE CITY OF SAN DIEGO

City Planning & Community Investment
Facilities Financing

RESOLUTION NUMBER R- 203210

DATE OF FINAL PASSAGE DEC 18 2007

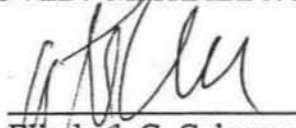
A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN
DIEGO APPROVING THE NAVAJO PUBLIC FACILITIES
FINANCING PLAN.

BE IT RESOLVED, by the Council of the City of San Diego, that it approves the
document titled, "Navajo Public Facilities Financing Plan, Fiscal Year 2008," a copy of which is
on file in the office of the City Clerk as Document No. RR- 203209.

BE IT FURTHER RESOLVED, that this activity is not subject to CEQA pursuant to
State Guidelines Section 15060(c)(3).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By


Elizabeth C. Coleman
Deputy City Attorney

ECC:mm

11/19/07

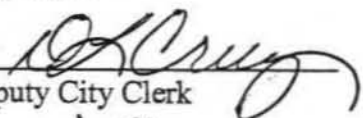
Or.Dept:Planning & Comm. Invest. Dept

R-2008-444

MMS# 5601

I hereby certify that the foregoing Resolution was passed by the Council of the City of San
Diego, at this meeting of DEC - 3 2007.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 12-18-07

(date)


JERRY SANDERS, Mayor

Vetoed: _____

(date)

JERRY SANDERS, Mayor

Mayor

Jerry Sanders

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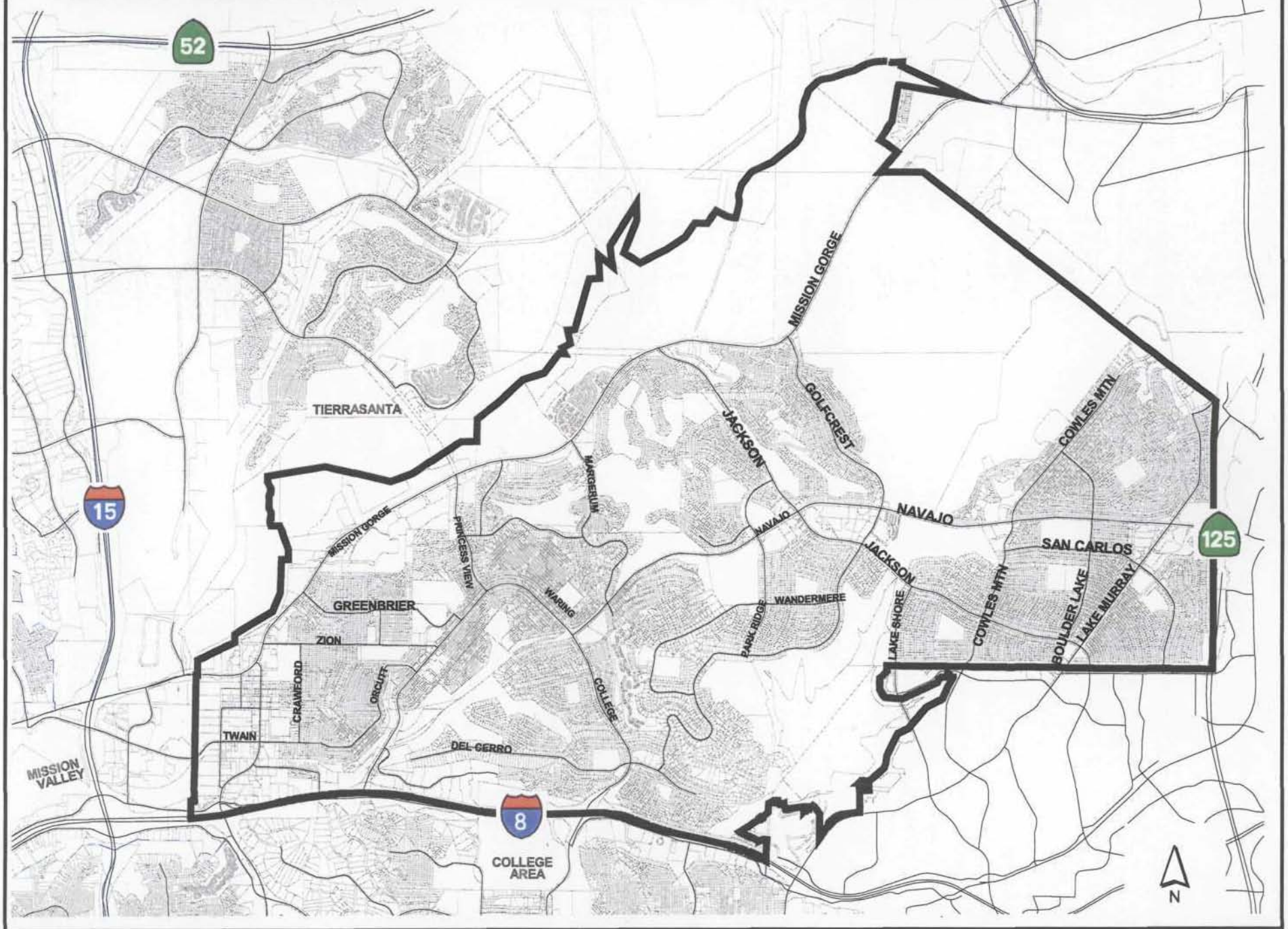
Paul Thomas

Mickey Zeichick

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NAVAJO COMMUNITY



Navajo Summary

General

The PROGRESS GUIDE AND GENERAL PLAN for the City of San Diego recommends the division of the City into planning areas, which are designated as Urbanized, Planned Urbanizing and Future Urbanizing areas. Urbanized areas include the central portion of San Diego as well as the remaining older sections of the City. Planned Urbanizing areas consist of newly developing communities. Future Urbanizing areas include land which is primarily undeveloped.

The Navajo Community Planning area is an Urbanized area. This document is the first Public Facilities Financing Plan, which sets forth the major public facilities needed in the areas of transportation (streets, storm drains, traffic signals, etc.), libraries, park and recreation facilities, and fire stations. Other public needs such as police facilities, public works yards, landfills, the Central Library, Balboa Park preservation and improvement, etc., concern a broader area than the Navajo community or even multiple communities. Accordingly, they are being analyzed with separate financing strategies.

This plan supersedes the previously approved Community Facilities Summary List. The facilities listed in this Financing Plan will be needed over the next approximately 22 years when full community development is anticipated. The Navajo Public Facilities Financing Plan is a guide for future development within the community and serves to determine the public facility needs reflected in this document. The City Council has previously adopted a Development Impact Fee to help mitigate the cost of the public facilities necessitated by development in the community. The Development Impact Fees for residential development were adopted on November 10, 1998, by Resolution No. R-290953, and commercial/industrial Development Impact Fees were adopted on November 10, 1998, by Resolution No. R-290953, this document provides the basis for a revision of the impact fees for the Navajo Community.

Development Forecast and Analysis

The Navajo Community Plan is a comprehensive policy guide for the physical development of the community. The Navajo Community is bounded on the west by the communities of Mission Valley and Tierrasanta, on the south by the College area community, on the east by the east bank of the San Diego River and the cities of La Mesa and El Cajon, and on the north by Mission Trails Regional Park.

The Navajo Community, totaling approximately 8,000 acres, is developing in accordance with the Navajo Community Plan, adopted in 1982, amended in August 2002 and most recently on May 15, 2007.

An analysis of present and projected development, and using the Navajo Community Plan as a guide, indicates that, over the next 22-year period, approximately 1,195 additional residential dwelling units will be constructed. Based on the currently adopted community plan, proposed intensity of development in 2030 will be 18,338,760 square feet of retail, 1,611,720 square feet of office space, and 15,158,880 square feet of industrial space. This will result in a total number of 417,200 average daily trips (ADTs) at full community development.

Periodic Revision

To ensure that this program maintains its viability, this plan is to be periodically revised to include, but not necessarily be limited to, City Council approved (amendments) to the Community Plan. This fee schedule may be updated annually to reflect construction cost and inflationary increases.

Existing Public Facilities & Future Needs

Transportation

Navajo is served by a transportation network which consists of automobile and public transportation systems, a bicycle system, and a pedestrian circulation system. Provision of adequate transportation facilities has been a continuing process of providing those facilities to support the needs of existing and future development.

Transportation improvements in Navajo are dictated by traffic volume. Improvements will be funded through a combination of Development Impact Fees (DIF), subdividers, and other funding sources yet to be determined.

The most current information available from SANDAG's Traffic Model indicates that the average daily trips (ADTs) generated in the community in Year 2000 was approximately 371,000, with an additional 46,200 ADTs projected by Year 2030. The total of 417,200 ADTs in Year 2030 is used in determining the transportation component of the DIF for Navajo (please refer to pages 10-11 for additional fee calculation information). The DIF fees collected generate only that portion of the total transportation costs from new development, approximately 10%, as no impact fees will be collected from existing development. New development will

not be required to contribute to the existing transportation system. Other funding sources will need to be identified for the remaining 90% of transportation needs.

Park and Recreation

The City's Progress Guide and General Plan recommends 2.8 acres of parkland for every 1,000 residents, consisting of neighborhood and community parks. For every 3,500 to 5,000 residents, a minimum 10.0 acre neighborhood park should be located within a ½ mile service radius; unless it is located adjacent to an elementary school where joint-use is possible and anticipated, the acreage may be reduced to 5.0 acres. For every 18,000 to 25,000 residents, a minimum 20.0 acre community park and a recreation center should be located within a 1½ mile service radius; unless it is located adjacent to an elementary or middle school where joint-use is anticipated and feasible, the acreage may be reduced by 5.0 acres or 7.0 acres, respectively. And, for every 50,000 residents, a community swimming pool is recommended within 1½ to 2 miles service radius.

The Navajo Community is currently served by three community parks, six neighborhood parks, and five joint-use areas. The current Navajo community population warrants approximately 138.29 population-based park acres based on the General Plan guidelines. Based on the SANDAG 2030 population forecast, a total of approximately 151.42 acres of population-based park land is recommended at full community development. The recommended park acreage at full community development is calculated as follows:

$$\begin{aligned} 21,451 \text{ total units} \times 2.52 \text{ persons per household} &= 54,078 \text{ persons} \\ 54,078 \text{ persons} \times 2.8 \text{ acres} \div 1,000 \text{ persons} &= 151.42 \text{ acres} \end{aligned}$$

The entire park acreage and projected population is used in determining the park component of the DIF for Navajo. The fees collected from new development generate only that portion of the amount needed for new development since no fees can be collected from existing development.

Proposed parks are further described in Table 1 with more details provided beginning on page 37.

Library

Navajo is currently served by two branch libraries. The Benjamin Memorial Branch is a 3,875 square-foot facility built in 1964 located at 5188 Zion Ave. The San Carlos Branch is an 8,000 square-foot facility built in 1974 located at 7265 Jackson Drive.

The Navajo Community needs to expand or replace both libraries. The additional space is needed to accommodate the increased population, provide meeting rooms and additional technology capabilities.

Fire Protection

There are currently two fire stations located within the Navajo community. Fire Station #31 at 6002 Camino Rico houses one engine company; Fire Station #34 at 6565 Cowles Mountain Blvd, also houses one engine company. A new fire station located in Mission Valley is scheduled for design and construction. This facility will service the Mission Valley and Navajo communities to meet the Fire Demand Zone standard of a six-minute response time. The permanent 16,000 square foot structure (Fire Station #45) will be located north of Friars Road in the Qualcomm Stadium parking lot and will service Mission Valley (95%) and Navajo (5%). An additional station is needed for the Navajo community. The facility will be scheduled for construction once a building location and funding have been determined.

Police Protection

The Eastern Area Substation at 9225 Aero Drive in the Serra Mesa Community provides police services to the Navajo community plan area. A police storefront is located in the Navajo Community at 7381 Jackson Drive.

Summary of Public Facilities Needs

Figure 2 illustrates general locations for the Navajo Community projects. Table 1 reflects both long range needs and those needs reflected in the current Council adopted Capital Improvement's Program (CIP). These projects are more fully described on pages 18 to 64.

The projects listed in Table 1 are subject to revision in conjunction with Council adoption of the annual Capital Improvement's Program budget. Depending on priorities and availability of resources, substantial changes to these projects are possible from year to year.

Navajo - Public Facilities Financing Plan

Financing Strategy

The City of San Diego has a variety of potential funding sources for financing public facilities, which will be provided, in part by developers, as part of the subdivision process. Potential other methods for financing public facilities are listed below:

- A. DEVELOPMENT IMPACT FEES (DIF)
- B. TRANSNET, GAS TAX
- C. ASSESSMENT DISTRICTS
- D. LANDSCAPING AND LIGHTING ACTS
- E. GENERAL OBLIGATION BOND ISSUES
- F. CERTIFICATES OF PARTICIPATION (COP)
- G. LEASE REVENUE BONDS
- H. BUSINESS LICENSE TAX REVENUE*
- I. CAPITAL OUTLAY (LEASE REVENUE)
- J. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
- K. FRANCHISE FEE REVENUE*
- L. LOCAL TRANSPORTATION FUND
- M. MOTOR VEHICLE LICENSE FEE (MVLF) REVENUE*
- N. PARKING VIOLATION REVENUE*
- O. PARKING METER REVENUE*
- P. PARK SERVICE DISTRICT FEES (PSD)
- Q. PROPERTY TAX REVENUE*
- R. TRANSIENT OCCUPANCY TAX (TOT)*
- S. ANNUAL ALLOCATIONS
- T. PRIVATE CONTRIBUTIONS
- U. UTILITY USERS TAX
- V. SPECIAL TAXES FOR FIRE AND POLICE PROTECTION
- W. SPECIAL TAXES FOR PUBLIC LIBRARIES
- X. PARK AND PLAYGROUND ACT OF 1909
- Y. GRANTS

*These funds are currently allocated for general City operations, but may be used for capital improvements.

- A. DEVELOPMENT IMPACT FEES (DIF)** - Development Impact Fees are a method whereby the impact of new development upon the infrastructure is assessed, and, a fee system developed and imposed on developers to mitigate the impact of new development. DIF cannot be used for existing development's share. Impact fees are collected at the time of building permit issuance. Funds collected are deposited in a special interest bearing account and can only be used for identified facilities serving the community in which they were collected. As sufficient funds are collected, the City proceeds with a construction program. Use of impact fees is one of the financing methods recommended for Navajo.
- B. TRANSNET, GAS TAX,** and other programs such as a state-local partnership program may provide funds for community transportation projects. These funds will be allocated annually and may be used to fund a portion of the long-range capital need for future transportation improvements in Navajo.
- C. ASSESSMENT DISTRICTS** - Special assessment financing, using 1913/1915 Assessment Acts or a Mello-Roos District could be used as a supplementary or alternative method of financing some facilities. A Mello-Roos District requires a 2/3 voter approval for passage. Other assessment districts generally require the support of the majority of the community. If an assessment is subject to Proposition 218, then it would require a 2/3 vote.
- D. LANDSCAPING AND LIGHTING ACTS** - Funds may be used for parks, recreation, open space, installation/construction of planting and landscaping, street lighting facilities, and maintenance. These ballot measures require a 2/3 voter approval for passage.
- E. GENERAL OBLIGATION BOND ISSUES** - Cities, counties and school districts may issue these bonds to finance land acquisition and capital improvements. The bonds are repaid with the revenues from increased property taxes. Bond issuance requires 2/3-voter approval for passage.
- F. CERTIFICATES OF PARTICIPATION (COP)** - These funds may only be used for land acquisition and capital improvements. City Council approval is required and a funding source for Debt Service must be identified.
- G. LEASE REVENUE BONDS** - These funds may be only used for capital improvements. City Council approval is required.

- H. BUSINESS LICENSE TAX REVENUE** - These funds are currently allocated for general City operations; but may be used for capital improvements. City Council approval is required.
- I. CAPITAL OUTLAY (LEASE REVENUE)** - These funds are to be used for capital improvements. City Council approval is required.
- J. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**
This is a federal grant that is applied for annually. Applications are reviewed annually; City Council and HUD approval are required.
- K. FRANCHISE FEE REVENUE** - The City collects franchise funds from San Diego Gas and Electric and cable companies for use of City right-of-way. These funds are currently allocated for general City operations; but may be used for capital improvements. City Council approval is required.
- L. LOCAL TRANSPORTATION FUND** - These funds are applied for and are used only for bikeway projects. City Council and federal approval are required.
- M. MOTOR VEHICLE LICENSE FEE (MVLFF) REVENUE** - The state allocates a portion of vehicle license fee revenue to local governments. These funds are currently allocated for general City operations; but may be used for capital improvements. City Council approval is required.
- N. PARKING VIOLATION REVENUE** - These funds are currently allocated for general City operations; but may be used for capital improvements. City Council approval is required.
- O. PARKING METER REVENUE** - These funds are currently allocated for general City operations; but may be used for capital improvements. City Council approval is required.
- P. PARK SERVICE DISTRICT FEE (PSD)** - This fee is charged at the subdivision level and can only be used for parks and park improvements. City Council approval is required.
- Q. PROPERTY TAX REVENUE** - Property owners are taxed one percent of the assessed value of the property. The City receives approximately 17 percent of the one percent. These funds are currently allocated for general City operations; but may be used for capital improvements. City Council approval is required.

- R. TRANSIENT OCCUPANCY TAX (TOT)** - The City's hotel tax is 10.5 percent and is currently allocated annually to eligible (tourist-related) organizations that request funding and to tourist-related City activities; but may be used for capital improvements. City Council approval is required.
- S. ANNUAL ALLOCATIONS** - In the years prior to the passage of Proposition 13, the City was able to respond to community facility needs by using a portion of sales tax revenue to support the Capital Improvements Program. This has not been possible for some time. However, if other revenues are increased, annual allocations could again be used to fund some capital facilities. This is a recommended method of funding some park and recreation facilities and transportation improvements. City Council approval is required.
- T. PRIVATE CONTRIBUTIONS** - Any private donations received by the City for capital improvements. City Council approval is required.

Potential methods for financing public facilities are described below:

- U. UTILITY USERS TAX** - These funds may be used for any general City operation or capital improvement. These require 2/3 voter approval for passage.
- V. SPECIAL TAXES FOR FIRE AND POLICE PROTECTION**
These funds may only be used for fire and police activities. These require 2/3 voter approval for passage.
- W. SPECIAL TAXES FOR PUBLIC LIBRARIES** - These funds may only be used for libraries and library improvements. These require 2/3 voter approval for passage.
- X. PARK AND PLAYGROUND ACT OF 1909** - These funds may be used for parks, urban open-space land, playground, and library facilities. These require 2/3 voter approval for passage.
- Y. GRANTS** - Grants are available and applied for from the federal government, state and other agencies.

General Assumptions and Conditions

In connection with the application of the following methods of financing, these general assumptions and conditions would apply:

1. Developers will be required to provide facilities normally provided within the subdivision process as a condition of subdivision approval, including but not limited to traffic signals.
2. Abutting property owners are responsible for frontage improvements such as sidewalks, curbs and gutters.
3. The developer will pay the DEVELOPMENT IMPACT FEE at the time of building permit issuance.
4. DEVELOPMENT IMPACT FEE funds collected will be placed in a separate trust fund with interest earnings accumulated for use in the community planning area for identified facilities.

Development Impact Fee Determination

Background

In late 1987, staff developed and recommended impact fees for 28 urbanized communities. The City Council adopted the recommended fees, including those for the Navajo Community planning area, to mitigate the impact of new development on public facilities. All undeveloped parcels are subject to development impact fees as are parcels which are permitted for intensified use. Monies collected are placed in City interest-accruing funds, to be used only for capital improvements serving the Navajo Community.

The Navajo Community Plan area is almost fully developed. Because of this, the fees will provide only a small portion of the financing needed for the facilities. Thus, the majority of the required public improvements will have to be provided through special funding mechanisms other than DIF.

Distribution of Project Costs and Fee Determination

Development of the actual DIF to be imposed is based on the extent or degree to which each type of development generates a demand for, or receives benefit from the various existing public facilities. For example, all development generates vehicular traffic and thus, on an equitable basis, should share in the cost of transportation projects.

Development Impact Fees were determined for the various categories of needed public facilities at full community development. The impact fee base includes all eligible project needs except those identified as subdivider funded. The fees also include an 8% percent charge to cover City administrative costs.

Transportation

There is a clear relationship between the use of transportation facilities and the generation of vehicular trips based upon land use. In the report "San Diego Traffic Generators," authorized by Caltrans and SANDAG, the traffic generated by various classes of use is detailed. This report summarizes data collected at major regional traffic generators as well as neighborhood and local traffic generators in the San Diego area. Traffic counts taken at each facility are related to various characteristics of the facility such as size, type of use, number of employees, floor area, parking spaces, or number of persons. For impact fee purposes, multi-family residential development is assumed for Navajo (and all other urbanized communities). The residential portion of the impact fee reflects

an average daily trip factor (ADT) of seven as a basis for determining the impact fee. A considerable range has been found for traffic generation in non-residential developments depending on the character and use of the property. Non-residential land uses typically generate between 100-900 average daily trips per acre. For non-residential development in the Navajo Community, average daily trips were used.

Transportation projects are estimated after the scope of work is determined to be consistent with the Community Plan. The project improvements are laid out to design standards and material quantities are determined; for example the length of curbs and gutters, square footage of retaining walls and sidewalks, etc. Unit prices are then applied to the quantities, which are guided by the median prices received on current City of San Diego construction bid documents. Please refer to Appendix A for more detail. Additional costs are applied for contingencies (25%), mobilization (2%), engineering and administration (35-50%), right-of-way, bonds and environmental work.

Using the approved land use intensity and trip generation rates, the total number of trips forecasted for Year 2030 is estimated to be 417,200. An analysis of the DIF eligible street improvements required at ultimate community development (estimated costs in FY 2008 dollars) totaling \$112,859,948 indicates that cost per average daily trip for transportation facilities, including 8% for administrative costs, is \$292 per trip and \$2,044 per dwelling unit. The fee per dwelling unit is calculated using the average daily trip rate factor of seven. These amounts will be paid by all future development.

Park and Recreation

Park and Recreation needs are based on population derived from the number of dwelling units in the community. The Park and Recreation Department has identified projects needed in the Navajo Community at 2030 forecast. These are shown in Table 1 and in detail beginning on page 38. For this financing plan update, park estimates are based on approximately \$450,000 per acre for design and construction which is derived from recently received competitive bids for other typical population-based park development projects, \$2,000,000 per acre for land acquisition, \$400 per square foot for a recreation center, and \$4,500,000 for a swimming pool complex.

Allocating the total park and recreation facility costs of \$57,259,257 to the residential development at the SANDAG 2030 forecast of 21,451 units results in an impact fee, including 8% administrative costs, of \$2,883 per unit.

Library

Library needs are based on population, which is derived from the number of dwelling units estimated at full community development. Therefore, only residential development is charged development impact fees for libraries.

Allocating the total library cost of \$27,000,000 to the residential development at the SANDAG 2030 forecast of 21,451 units, results in an impact fee, including 8% administrative costs, of \$1,360 per unit.

Fire Facilities

The Fire Station portion of the impact fee relates to the cost of providing fire facilities to adequately provide fire protection services to both residential and non-residential development within the community. Residential impact fees are based on an average cost per dwelling unit. The average cost per 1,000 square-feet of gross building is used to determine fees for non-residential development.

The Fire-Rescue Department has identified the need for the construction/expansion of 5 fire stations to serve Navajo. Using the total amount of development, both residential and non-residential (approximately 56,560,360 square-feet), and the Navajo proportionate share of needed fire facilities \$14,603,087, the resulting impact fee is \$279 per residential dwelling unit and per thousand squarefeet of non-residential development. This fee includes 8% for administrative costs.

Development Impact Fee Schedule

The resulting impact fees for the Navajo community planning area are as follows:

RESIDENTIAL PROPERTY					COMMERCIAL/INDUSTRIAL	
Transportation	Park & Rec	Library	Fire	Total per Residential Unit	Transportation	Fire
\$ Per Residential Unit					\$/Trip	\$/1000 sq. ft. of Gross Building Area (GBA)
\$2,044	\$2,883	\$1,360	\$279	\$6,566	\$292	\$279